

Hardscrabble, LLC

Testimony Before the General Law Committee, March 6, 2014

House Bill 5429 AA Establishing A Craft Distiller Permit

Good afternoon Senator Doyle, Representative Baram and Members of the General Law Committee. My name is Jack Baker and I am here today in my capacity as a business owner in Watertown, CT. Thank you for raising House Bill 5429, An Act Establishing A Craft Distiller Permit. Hardscrabble, LLC is a new company which will be manufacturing bourbon in Connecticut. Our request is to allow nominal bottle sales to consumers attending tours at CT distilleries.

The retail sale of alcoholic liquor by the manufacturer would be consistent with CT breweries and wineries. Not only is this an import revenue source but also important to providing a positive experience to those attending distillery tours. It is the expectation of visitors that they would be able to purchase products at the end of a tour as they would at a brewery or winery. On premise sales are vital to the success of a small distillery.

Neighboring states and most of the country allow onsite sales. CT is at a competitive disadvantage to attract this growth industry. CT currently has only a few small distilleries. NY embraces small distilleries as indicated on their economic development website. NY has about 65 small distilleries. There are currently about 650 in the USA and predicted to be 1,000 in the next few years. It is our hope that CT can participate in this growth industry.

Distillery visitors that have the ability to purchase and take home CT made spirits will ultimately seek out these products at their local liquor stores, restaurants and bars. In states where small distilleries have flourished it is because they have created demand for their products in local outlets. Local liquor stores, restaurants and bars are by far the small distilleries' most important asset. I have visited many CT liquor stores, restaurants and bars. They all have been supportive and eager for CT products.

Onsite sales will give this emerging industry a foothold to flourish in CT. It is our hope that our request will be evaluated on its own merits and benefits to the State of CT.

Rather than creating an entirely new class of permit, we suggest amending the current manufacturer of alcoholic liquor permit, Section 1. Subsection (a) of 30-16 to include:

**Such permit shall also authorize manufacturers producing less than 100,000 gallons per year of alcoholic liquor the selling at retail from the premises for consumption off the premises. Such selling at retail from the premises shall comply with the provisions of subsection (d) of section 30-91 and shall permit not more than 1.5 liters of alcoholic liquor to be sold to any person on any day on which such sale is authorized under the provisions of subsection (d) of section 30-91.**

This suggested change will allow manufacturers of alcohol to sell at retail small amounts of their product without creating a new permit.

To recap the benefits to the State of CT..... **This is a Jobs, Farm and Tourism proposal.**

### **Economic**

Participate in an emerging growth industry

Create manufacturing jobs

CT liquor stores will profit from a new sales category of CT Sprints.

Restaurants and bars will attract customers with CT sprints and CT cocktails.

Increased tax base

Increase exports

Startup distilleries may seek to occupy vacant and distressed real estate

Opportunities for local tradesmen and services

### **Agriculture**

CT distilleries source CT grown grains

Distilleries will partner with local farmers to develop grain and mash bills to create uniquely CT spirits

Distilleries are purchaser of corn, a traditional CT crop

Distilleries will present new crop opportunities with the need for grains such as rye and barley

Spent grains are distributed to local farms for feed and fertilizer

### **Tourism**

Distilleries attract visitors to both rural and urban sites

Distilleries attract out of state visitors

Distilleries will partner with wineries and breweries to enhance the CT wine trail experience